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RHMFUU/CDR USCENTCOM MACDILL AFB FL//CCJ2/HSE/CCJ5// PRIORITY

RUCPDO/DEPT OF COMMERCE WASHDC PRIORITY

RUEAIIA/CIA WASHDC PRIORITY

RUEHRC/DEPT OF AGRICULTURE WASHINGTON DC PRIORITY

RHEFDIA/DIA WASHINGTON DC//DHO-2/REA/NMJIC-J2// PRIORITY

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SUBJECT: TURKMENISTAN: USAID DAA LUTEN PROPOSES MFA

SIMPLIFY PROCEDURES FOR IMPLEMENTING U.S. ASSISTANCE

11. (U) Sensitive but unclassified. Not for public Internet.

SUMMARY

12. (SBU) Deputy Foreign Minister Wepa Hajiyevev was pleasant but non-committal to proposals for more direct contacts between embassy personnel and working-level Turkmenistan officials during a 60-minute meeting July 23 with USAID Deputy Assistant Administrator Drew Luten. Hajiyevev expressed appreciation for USAID's efforts to assist Turkmenistan to meet its development priorities and pledged that the Ministry of Foreign Affairs will seek to support USAID's programs in Turkmenistan, even changing procedures when there is value-added to such changes. While Hajiyevev agreed that signing memoranda of understanding (MoU's) between USAID and counterpart government agencies would benefit both sides, he preferred to remain, for now, with the MFA's requirement that any working-level "direct contacts" -- even in cases where the contacts would be addressing projects covered by MoU's -- be arranged by telephoning the Ministry of Foreign Affairs. We will continue to work to simplify this process. END SUMMARY.

HAIYEV: MFA SUPPORTS USAID'S ACTIVITIES

13. (SBU) Hajiyevev attended the meeting for Deputy Chairman of the Cabinet of Ministers and Foreign Minister Rashit Meredov, whom he said reportedly was unable to return from a major government meeting held in the Caspian port city of Turkmenbashi in time to meet with Luten. Speaking for MFA, Hajiyevev expressed satisfaction with USAID activities, and stressed his ministry's wish to assist USAID with its work. He also thanked Luten for the warm welcome that Minister of Economy and Finance Hojamyrat Geldimyradov received when he was in Washington for the July 17-19 Central Asia Trade and Investment Framework Agreement (TIFA) annual meeting.

14. (SBU) Luten noted that his visit was one of a series of visits agreed to in February between State Department

Assistant Secretary for South and Central Asian Affairs Richard Boucher and Turkmenistan's President Berdimuhamedov. Luten stressed that the United States wants to work toward a broad-based program of cooperation to support Turkmenistan's economic development in areas that Berdimuhamedov has identified as development priorities, including foreign investment and agriculture. Luten noted USAID's office in Almaty, Kazakhstan awarded a contract last week to support the "AgLinks" ("Agricultural Linkages") program, which could help support Turkmenistan's agricultural development.

USAID PROGRAMS SHOULD BE LINKED TO TURKMENISTAN'S FRAMEWORK

15. (SBU) Thanking the United States for its interest in promoting Turkmenistan's development, Hajiyeve noted the importance of identifying points of mutual interest between Turkmenistan's plans and U.S. proposals. "Speaking undiplomatically," Hajiyeve continued, "sometimes the U.S. and Turkmenistani governments do not know what they want of each other. While some U.S. proposals are useful, they need to be linked to Turkmenistan's requirements, conditions and framework. The way the two countries establish and seek to broaden cooperation will affect programs in other areas.

MFA WILLING TO CHANGE PROCEDURES, IF NECESSARY

16. (SBU) Hajiyeve maintained that existing systems for working USAID projects are "sufficiently effective," but added that the Ministry of Foreign Affairs recognizes changes may be needed as cooperation increases. The ministry is willing to consider proposals for such changes from the United States and to implement new ways of doing things if those suggestions benefit both sides.

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17. (SBU) Luten suggested an ideal cooperative relationship in our view involves two elements:

-- The United States should understand Turkmenistan's goals; and

-- Turkmenistan's authorities should recognize that the United States has international expertise and experience it can bring to the bilateral dialogue that would help inform the Government of Turkmenistan's plans for achieving its goals.

According to U.S. experience, cooperative programs with other countries work best when these two elements are present. He noted that USAID has a good dialogue with Turkmenistan's authorities, and wants to keep working on communication.

LUTEN PROPOSES MOU'S FOR INDIVIDUAL ASSISTANCE PROJECTS

18. (SBU) In order to improve communication, Luten said, the United States would like to explore the possibility for developing Memoranda of Understanding (MoU's) for individual assistance projects that would outline the goals of such projects, spell out how communication would be handled, and provide greater understanding on steps that would be needed to implement the programs. USAID/CAR Senior Economist Michael Boyd added USAID will propose an MoU for the suggested AgLinks program. Such an MoU would designate a government counterpart and point of contact -- the Ministry of Agriculture, for example -- with which USAID could work to implement the project. Under this arrangement, USAID could work directly with its counterpart, rather than needing to submit diplomatic notes through the Ministry of Foreign Affairs. This would increase transparency, streamline implementation and promote closer direct contacts.

19. (SBU) Charge noted increased bilateral interaction in recent months has strained the ministry's Americas desk because the United States is sending increasingly more diplomatic notes and making more requests. Using MoU's would

allow embassy officers working on projects covered by an MoU to work directly with the designated agency, rather than forcing ministry officials to try to work all the U.S. requests. And, in fact, such an arrangement has worked very well elsewhere, including in Kazakhstan.

MFA WANTS TO RETAIN CURRENT SYSTEM OF "DIRECT CONTACTS"

¶10. (SBU) Hajiyeu, noting that the ministry's team was very effective, responded that, just as the United States wants to know what Turkmenistan wants, the Government of Turkmenistan wants to know what USAID wants in Turkmenistan. The two sides have achieved, over time, a common language of mutual understanding of each other's positions through the current process of consultations and comments. When it became obvious at a certain stage that the two sides needed to find new ways of working the projects, the MoU proposal came up. The ministry supports the practice of concluding MoU's because it increases both the scope and pace of cooperation, and plans to continue this practice. At Hajiyeu's request, the head of the Americas desk, Serdar Bashimov, pointed out that the ministry has already sent a diplomatic note approving "direct contacts" which would allow embassy personnel to request meetings with counterpart ministries without diplomatic notes and with just a phone call to the Ministry of Foreign Affairs. Hajiyeu suggested this new procedure had improved cooperation significantly. (COMMENT: By contrast, however, at a meeting later the same day, Ministry of Economy and Finance officials told the delegation that the United States needed to submit proposals through the Ministry of Foreign Affairs. END COMMENT.)

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COMMENT

¶11. (SBU) The need for direct contacts has grown as bilateral interaction has increased. Quite simply, the Ministry of Foreign Affairs is becoming overwhelmed by its schedule of visitors from various countries and organizations, including the United States, who are seeking to reverse years of no contact under Niyazov. Programs that used to be delayed for policy reasons increasingly are being delayed because nobody is around to work our requests, and the new system of phone calls has not yet proven to be any less clunky than the old notification system. END COMMENT.

¶12. (U) DAA Luten has cleared this cable.
HOAGLAND